

## KEES Policy Issues September 28, 2005

### 1. Should the KEES curriculum be revised to meet postsecondary expectations?

#### *Rationale:*

- The KEES program, by definition, provides incentives and scholarships for students to pursue postsecondary education. The curriculum should reflect that expectation.
- Anecdotal evidence suggests that the current structure and implementation of the KEES curriculum and grade reporting system may provide an incentive for students to take less rigorous courses to earn higher awards.
- Nearly 40 percent of students receiving KEES scholarships do not retain them their sophomore year, in part because they do not maintain a 2.5 GPA their freshman year in college. Taking more challenging courses in high school may have the short-term effect of a lower cash award, but the long-term effect of retaining the scholarship throughout college and degree completion.
- A substantive and academically rigorous curriculum would significantly improve the workforce skills of all high school graduates, regardless of their choice to pursue postsecondary education.

#### *Concerns:*

- If postsecondary preparatory courses are not available to all students, low-income and minority students may not have the opportunity to earn full KEES awards.
- The short- and long-term impact of revising the KEES curriculum to meet postsecondary expectations is difficult to calculate. In the short term, some students may earn a lower GPA, and thus earn smaller KEES awards. In the long term, students would be better prepared for college and the skilled workforce, maintain their GPA eligibility, and keep their KEES awards through graduation.

### 2. Should Kentucky's minimum high school graduation requirements be revised to meet postsecondary and skilled workplace expectations, such as at least the following:

- 4 credits in English
- 4 credits in mathematics (including algebra 1, geometry, and algebra 2)
- 3 credits in science (biology, physics, and chemistry, lab-based or experiential)
- 3 credits in history and social sciences
- 2 credits in a language other than English (or demonstrated competency)
- 4 credits in rigorous electives (which can be technically applied courses)

#### *Rationale:*

- There should be a single standard for minimum high school graduation composed of a rigorous curriculum which ensures that all students are adequately prepared to pursue college and skilled employment.
- All high school graduates should be prepared for some form of postsecondary education and skilled employment, and entry-level expectations of colleges and employers in skilled fields have virtually converged. (See The American Diploma Project's report, *Ready or Not: Creating a High School Diploma That Counts*, 2004)
- Establishing high school graduation requirements for *all* students (with a default option for special needs) will reduce the achievement gap by preventing low-income and minority students from being "tracked" out of a curriculum that does not prepare them for college or skilled employment.
- State and national policy reports recommend raising the level of rigor of the high school curriculum (e.g. The National Commission on the High School Senior Year, The American Diploma Project, and the Prichard Committee's Task Force on High Achieving High Schools).

- Clifford Adelman's *Answers in the Tool Box* (U.S. Department of Education) concludes that the single greatest predictor of a high school student eventually earning a bachelor's degree is the rigor of the high school curriculum undertaken. This overrides race/ethnicity, gender, and socio-economic status.

*Concerns:*

- A rigorous common core curriculum will increase the demand for teachers in shortage areas.
- Students in predominantly low-income schools are more likely to be assigned teachers who are unprepared to teach a college- and workplace-ready curriculum.
- Kentucky's drop-out rate might increase.

3. Should the KEES ACT supplementary award threshold of 15 (composite) be raised? To 18? 20? 22?

*Rationale:*

- ACT, Inc. national research shows that a composite score of 15 does not indicate readiness for college. Setting an award threshold at 15 sends a misleading message to high school students. In 2003, over a third of KEES recipients did not return their sophomore year, thus losing eligibility for some of their initial award.
- The Council on Postsecondary Education requires Kentucky's public postsecondary institutions to provide academic assistance (remedial placement, enhanced courses, or additional placement assistance) to all admitted students earning an ACT sub-score of less than 18 in reading, English, or mathematics.
- ACT, Inc. national research correlates an ACT sub-score of 18 in English with readiness for first-year college writing and an ACT sub-score of 22 in mathematics with readiness for college algebra. Kentucky's statewide placement policy reflects these correlations.

*Concerns:*

- Raising the KEES ACT supplementary award threshold would have a disproportionate effect on low-income and minority students, who have the least access to curricula that would prepare them to earn a higher ACT score.
- The KEES program, unlike merit scholarship programs in many other states, effectively focuses on college access for first-generation college-goers. Awarding an initial ACT bonus at 15 may serve as an incentive to students who might otherwise not attempt the ACT.
- The short- and long-term fiscal impact of raising the ACT threshold is difficult to determine: In the short term, the size of the increase would be balanced by fewer students meeting the threshold. In the long term, if the incentive were effective, more students would earn higher award amounts and complete college successfully, thus increasing the fiscal impact on the KEES program.
- The estimated fiscal impact of a compromise position, retaining the current ACT award threshold at 15 but offering a bonus award beginning at 22 (to reflect college readiness and to provide an incentive for greater achievement) ranges from \$900,000- \$2,500,000 per year, depending on the size of the incentive for higher scores and whether or not students scoring in the 15-21 range are held harmless.

4. Should the grading scale for KEES awards calculation be standardized?

*Rationale:*

- Current lack of standardization across districts encourages grade inflation and more lenient grading scales to increase KEES awards.

*Concerns:*

- It is not good state policy to usurp the authority of local school districts to establish their own individual grading policies.

- Schools may need to make significant operational changes to use percentages for grades or to compile GPA's based on a grading scale different from the one used in the district.
- Adopting a uniform grading scale would make no difference statistically to the operation or administration of the KEES program.
- Standardization of grading scales does not guarantee equal performance across districts or schools, or even within the same class, nor does it guarantee against grade inflation.
- Use of a separate grading scale for KEES calculation could confuse parents and students.

5. Should KEES awards be granted for algebra 1 or higher mathematics courses that qualify for high school credit when taken in middle school (though awarded in high school)?

*Rationale:*

- Students should not be deterred by KEES award policy from taking courses (such as algebra 1) whenever they are ready.

*Concern:*

- Changing the calculation formula for KEES will require statutory change.

6. Should Jeff Green Scholars (students with a 4.0 GPA all four years of high school and a 28 composite score on the ACT) and receive an additional KEES award of \$1,500?

*Rationale:*

- As a merit-based scholarship, one purpose of the KEES program is to keep talented Kentucky high school graduates in the Commonwealth. Awarding an additional \$1,500 to Jeff Green Scholars will help KEES awards remain competitive with rising tuition rates.

*Concerns:*

- The estimated fiscal impact of increasing KEES awards to Jeff Green Scholars is \$1,275,000 the first year and close to \$6 million after four years.
- Jeff Green Scholars are the most likely to receive both in-state and out-of-state scholarships, and \$1,500 would be an inadequate incentive to alter their college selection.

7. Should extra weight be allocated for dual credit courses taken in the pre-college curriculum (including the four electives), just as AP and IB courses are given extra weight?

*Rationale:*

- Currently, AP and IB courses are given extra weight in KEES award calculation. College courses taken in high school should be similarly encouraged.

*Concerns:*

- The state currently does not have standards regarding the nature or content of dual credit courses to guarantee that they offer accelerated content.
- This is an added expense for the KEES budget, but the change should be manageable and is well within the legislative intent for KEES to provide incentive and promote students taking more rigorous courses.

Other policy questions:

8. Should Kentuckians who have completed undergraduate study out of state be allowed to use their allotted KEES funds for graduate school in Kentucky?

*Rationale:*

- To reach the national average in educational attainment by 2020, Kentucky will have to double the number of adults holding a bachelor's degree *or higher*. Kentuckians who return to complete graduate programs in Kentucky are more likely to work in Kentucky than those completing graduate programs in other states. Allowing use of KEES funds for graduate school in Kentucky is consistent with Kentucky's policy goals.

*Concerns:*

- KEES funds are designed to provide incentives for access to postsecondary education at the undergraduate level.
- It is unclear that this incentive would significantly affect student decision-making regarding graduate school selection and enrollment.
- The estimate fiscal impact of expanding use of KEES funds to graduate study ranges initially from \$800,000-\$1,200,000 per year or up to \$4.8 million per year when fully implemented.
- Kentucky is a net importer of college graduates, although Kentucky draws more high school graduates and GED-earners than baccalaureate degree holders into the state.

9. Should KEES awards be used to fund dual credit course-taking?

*Rationale:*

- Students should be encouraged to take a more rigorous college curriculum if they are ready, and the opportunity should not be based on the family's ability to pay tuition.
- Students taking college-level courses in high school are more likely to attend postsecondary institutions.
- As the state encourages more students to take credit-based learning opportunities, such as dual credit, institutions that waive or reduce tuition will not be able to afford to continue these offerings.

*Concerns:*

- The Mary Jo Young Scholarship already provides for payment of these costs.
- Additional weight could be given for these classes in terms of earning KEES awards to be used in college (see #7)
- This proposal dilutes the award amount for student when they enroll in college for their undergraduate programs of study.
- Simply providing an additional source of funding would provide a financial incentive for, and inevitably lead to, institutions increasing their tuitions and fees for these courses.

10. Should the five-course-per-year requirement for KEES eligibility be changed to five *credits* per year?

*Rationale:*

- High school students enrolled in college, coop, or technical courses often take fewer than five courses per year due to block scheduling and, as a result, they lose their KEES eligibility for that year.
- A five-credit requirement allows students the opportunity to earn KEES awards while ensuring they are taking a meaningful course load during their senior year.

*Concern:*

- Reducing course-load requirements could provide an incentive for students who have completed their high school graduation requirements to take fewer courses in their senior year.

## CONTINUING DISCUSSION:

11. In a deficit situation (anticipated FY '08), what policy principles should guide the allocation of KEES and other financial aid funds?
  - Should KEES dollars be last dollars in? (Pell→ institutional→ state→ KEES)
  - Should KEES awards be disbursed only for courses that are completed?
  - Should enrollment status be reported after drop date and awards adjusted based on actual completion? (debit to institution)
12. If, as a result of KEES funds being awarded more on the basis of merit, savings are accrued because fewer students become eligible for KEES awards, can/should the balance of merit and need-based aid as a whole be reset (e.g. from the current balance of 45% merit/55% need → 40% merit/60% need)?
13. Should allocation be made by credit hour rather than by semester?
14. A different program is needed for adult, part-time students.
15. Should all college applicants be required to fill out the FAFSA?

*Rationale:*

  - More students will be eligible for federal need-based aid.
  - More federal funding will accrue to the state and to the institutions
  - If KEES awards are made “last dollar in,” financial aid budget will be expanded.

*Concern:*

  - The FAFSA is intimidating and may discourage college applications from first-generation potential college-goers.